
AGENCY OVERVIEW**408 Public Service Commission****Date:** 12/23/2014**Time:** 12:51:57

Statutory Authority

ND Constitution Article V; North Dakota Century Code Chapters, 24-01, 24-09, 28-32, 38-14.1, 38-14.2, 38-18, 40-33, 40-34, 51-05.1, 54-06, 54-44.8, 57-61; 64-02, and 64-04, Titles 49 (except Chapter 49-16) and 60 (except Chapter 60-01).

Agency Description

The Public Service Commission is a constitutional agency with varying degrees of statutory authority over electric and gas utilities, telecommunication companies, energy generation plant and transmission line siting, railroads, grain elevators, auctioneers and auction clerks, weighing and measuring devices, pipeline safety and coal mine reclamation. The Commission is comprised of three Commissioners who are elected on a state-wide basis to staggered six year terms.

Agency Mission Statement

The Public Service Commission fulfills its statutory mandates by protecting the public interest and regulating utilities, mining companies, and licensees in a fair, efficient, responsive, and cooperative manner. Regulatory initiatives assure that:

- Utility customers receive reliable and safe service at reasonable and just rates.
- Mined coal lands are reclaimed to provide a safe and productive environment now and in the future.
- License and permit holders and operators of commercial weighing and measuring devices operate in a safe and fair manner.

Public Utilities Division Priorities

- Maintain a fair, reasonable and efficient regulatory climate to ensure reliable delivery of energy at a fair price.
- Improve information flow to consumers and the public generally for the purpose of enhancing the public's understanding of the utility industry, the Commission's role, and the consumers' rights and responsibilities.
- Continue to protect ND's environment by maintaining a high level of oversight of energy conversion and transmission facility siting and utility safety issues.

Testing & Safety Division Priorities

- Promote enhanced public safety of ND's gas and LPG intrastate distribution/transmission systems through compliance with federal/state gas pipeline safety laws and rules.
- >Promote low compliance costs by maintaining industry education through interaction with consumers, commercial weighing and measuring device operators, and gas pipeline operators.
- Promote professionalism and accuracy in ND's Weights and Measures regulatory and service sectors and gas pipeline distribution and transmission sectors by providing a work environment favorable to ongoing professional education.
- Promote fairness in the marketplace by verifying the accuracy of commercial scales and meters used in ND.

Licensing Division Priorities

- Ensure that regulated entities comply with statutes and rules governing their operations.
- Ensure that the public receives fair and prompt service on matters involving jurisdictions handled by the Licensing Division.
- Regulate industry within a framework that minimizes negative economic impacts on regulated entities while providing sound protection for the public.

Reclamation Division Priorities

- Carry out the mine permitting, inspection and enforcement, and bond release activities in a manner that provides the required protection to the environment and property owners while being responsive to the needs of the mining industry.

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- Evaluate and adjust the regulatory program on an ongoing basis to achieve the optimum balance among environmental protection, least-cost industry operations, and landowner pursuit of agricultural activities.
- Explore the scientific, engineering and statistical underpinnings of the regulatory program and make every effort to see that improvements resulting from that exploration are made at both the state and federal level.
- Promote public awareness of the regulatory program through increased contact with relevant organizations and potentially affected landowners.
- Maintain maximum staff effectiveness by providing training and other opportunities for professional growth.

Abandoned Mine Lands Division Priorities

- Reclaim abandoned mine land sites found on the ND AML Inventory.
- Reclaim hazardous abandoned mine land sites not on the ND AML Inventory but discovered through exploratory drilling or public information.
- Reclaim emergency sites as the highest work priority. Develop emergency reaction plans that will reduce the time taken to eliminate the eminent hazard.

Legal Division Priorities

- Advise and counsel the Commission in all matters directly or indirectly affecting the Commission or Commission staff.
- Assist in the preparation and presentation of staff and Commission positions on matters of regulatory concern in Commission dockets and before state and federal agencies.
- Represent the Commission in all proceedings before state and federal courts.
- Oversee and coordinate the agency's legislative and rulemaking activities.
- Fulfill staff functions for various divisions as situations warrant and time allows.
- Regulate railroads and represent North Dakota rail shipping interests as provided for by state law.

Business Operations Priorities

- Administer the agency's overall operational procedures, day-to-day activities including budgeting, accounting, grant administration, procurement, human resources, policy development and review and all other agency administration responsibilities.
- Provide accurate and usable financial information to commissioners and division directors.
- Provide necessary accounting reports to OMB, Legislative Council, ITD, federal government.
- Provide public outreach and assist in addressing consumer complaints and all inquiries directed to the PSC.
- Serves as the point of contact for companies and individuals who are seeking information or submitting formal filings.
- Publish and maintain all official Commission documents and case records.
- Provide effective and efficient technology solutions.
- Provide equipment necessary for the deployment of commission technology solutions.

Agency Performance Measures

Not available.

Major Accomplishments

1. Since July 1, 2013, the commission has processed 1,084 formal cases. Ninety-six percent of all formal cases were processed without the need for a formal hearing.
2. The commission has received and approved eight interconnection agreements and 34 interconnection agreement amendments since July 1, 2013.
3. Conducted 151 gas pipeline safety inspections (76 standard inspections, 5 compliance follow-up, 26 design/testing and construction inspections). During the biennium, 6 violations were found and followed up with compliance orders. Since July 1, 2013, the Commission conducted gas pipeline safety inspections (78 standard inspections, 7 compliance follow-up, 6 design/testing and construction inspections). Since July 1, 2013, 16 violations were found and followed up with compliance orders.

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4. Inspected and tested 16,903 weighing and measuring devices, reviewed 21,946 device test reports filed by private device testers, and investigated 9 consumer complaints. On July 1, 2013, the Commission replaced the traditional device testing program for scales over 1,000 lbs. with a quality assurance program. For the non-quality assurance testing and inspection program, the Commission has, since July 1, 2013, inspected and tested 5,860 weighing and measuring devices, reviewed 12,616 device test reports filed by private device testers, and investigated 7 consumer complaints. The Commission conducted 138 inspections under the new quality assurance program.
5. Conducted 393 grain warehouse/buyer inspections, 49 discontinue business requests approved, and 39 new licenses. Three insolvencies were completed. All valid cash claimants received 100 percent of their claims plus interest, all valid credit-sale contract claimants received 80 percent of their claims from the Indemnity Fund, and the Commission was reimbursed for expenses. At the end of the biennium 282 warehouses, 111 facility-based grain buyers, 81 roving grain buyers, 370 auctioneers, and 201 auction clerks were licensed.
6. Permitted 16,924 acres for surface coal mining operations. Staff conducted 211 complete inspections covering all aspects of the mining and reclamation operations and 1,113 partial mine inspections were completed. Two violations were issued and \$3,000 in fines collected. Six final bond release applications were approved for successful reclamation resulting in termination of the commission's jurisdiction on 4,410 acres.
7. Drilling and grouting projects were carried out to locate and fill underground mine voids beneath public roads near Beulah and Zap in order to prevent future mine collapses. Approximately 250 hazardous sinkholes caused by the collapse underground mine workings were filled. Dangerous surface mine highwalls were eliminated at sites near Columbus and Sawyer. Four coal seam fires were extinguished.
8. Since the 2007 enactment of North Dakota Century Code Section 49-03-06 authorizing service area agreements to encourage harmony and operational efficiency among electric providers, the Commission has received 18 electric service area agreements, including recent agreements between cooperatives. As a result, there are now service area agreements filed for areas within and around the cities of Watford City, Valley City, Dickinson, Bismarck, Mandan, Kenmare, Bottineau, Williston, Garrison, Jamestown, Stanley, Wahpeton, Casselton, and Kindred as well as areas in Cass, Divide, McLean, Mountrail, and Richland Counties.

Future Critical Issues

Robust activity in the energy industry continues to spur increased siting applications and requests to determine the application of siting laws and rules. During the 2011-13 Biennium, the Commission received siting applications for 15 pipelines, 2 gas processing plants, 8 wind farms, 5 electric transmission lines and 2 electric power plants. The Commission received 9 filings under the abbreviated siting process defined in North Dakota Century Code Section 49-22-03 for construction of facilities wholly within the geographic area for which the utility had previously obtained a certificate or permit or on which a facility was constructed before April 9, 1975 (4 for electric transmission lines and 5 for pipelines), and 4 filings to transfer pipeline siting certificates. The Commission also received formal requests for jurisdictional determination from Ashtabula Wind III, LLC and North Dakota Winds, LLC. Since the beginning of the 2013-15 Biennium, the Commission has already received siting applications for 7 pipelines, 2 gas processing plants, 2 wind farms, 4 electric transmission lines, 8 filings under the abbreviated siting process (3 for electric transmission lines and 5 for pipelines), and 8 filings to transfer siting certificates to another entity.

Beginning in 2010 the US. Environmental Protection Agency (EPA) started issuing several rules that will impact the electric power industry. These regulations are designed to tighten controls on NOX, ozone, SO2, particulates, mercury, cooling water intake and discharge, and fly ash. These EPA rules will require some existing coal units to either be retrofit with environmental control equipment or retired. There has also been progress made by the EPA towards regulating greenhouse gases, for instance CO2. The total magnitude of the effects on reliability and costs from these rules has yet to be completely analyzed.

Montana-Dakota Utilities Co. and Otter Tail Power Company filed an advance determination of prudence case, PU-11-163 and PU-11-165 respectively, with the Commission in May 2011 to install an air quality control system (AQCS) on their jointly owned Big Stone coal plant to comply with EPA's Regional Haze Program. The Regional Haze Program is in place to improve visibility in specific "Class I" areas, in particular to the Big Stone plant are the Badlands National Park, Theodore Roosevelt National Park, Isle Royale National Park, Voyageurs National Park, and Boundary Waters Canoe Area. The estimated capital cost for the AQCS is approximately \$384 million and will be completed by January 2016. When completed, the project will cost ND customers of MDU and Otter Tail about \$10 a month for this environmental upgrade.

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Utility companies and the Commission are tasked with determining the prudence of resource additions prior to construction and currently all resource options are surrounded with large uncertainties. Coal faces the above rules and the potential for greenhouse gas regulation. Natural gas faces fracking concerns, historically volatile fuel prices, and the potential for greenhouse gas regulation. Nuclear faces unanswered waste storage, permitting concerns, and high cost. Renewable resources face their intermittent nature and high cost. With hundreds of millions of ratepayer dollars at stake, making an advance determination of prudence is a major challenge but extremely important and valuable to the utilities the commission regulates.

Nationally, and within North Dakota, Gas Pipeline Safety has become an increasingly important issue. Several high-profile incidents have highlighted it as a concern, and the industry and state and federal regulators are all interested in finding ways to ensure we have the safest gas pipeline system possible. In North Dakota, the Commission has jurisdiction, in cooperation with the US Department of Transportation, for pipeline safety concerning intrastate gas transmission and distribution. Since additional pipeline safety regulations have been and will continue to be promulgated at the federal level, the Commission has determined that more state resources are necessary. The gas safety program is funded through a federal grant with a state cost share requirement.

North Dakota oil production activity continues to increase, including construction of pipelines and processing facilities. The result is increased concern for pipeline safety and environmental impacts caused by petroleum and brine water leaks. The Commission has jurisdiction, in cooperation with the US Department of Transportation, for pipeline safety concerning intrastate hazardous liquids transmission pipelines and associated facilities, but does not have safety jurisdiction concerning brine pipelines. The Commission is exploring the resources necessary to begin a hazardous liquids pipeline safety program that would be funded through a federal grant with a state cost share requirement with the US Department of Transportation. The Commission will seek Legislative approval of additional full time employees for the safety program.

The number of One Call violation complaints has increased significantly since 2010 as North Dakota continues to experience the oil and gas energy boom. Since July 1, 2013, 36 One-Call complaints have been filed. Continued One Call violation activity has significantly increased the Commission's workload for its pipeline safety inspectors and its public utility analysts.

On July 1, 2013, the Commission replaced the traditional weighing and measuring device testing program, for scales over 1,000 lbs, with a quality assurance program. The quality assurance program consists of monitoring the device compliance testing, device testing procedures, device installations, and device test reports performed by private weights and measures inspectors. The only portion of the quality assurance program that has been implemented to date is the monitoring of device compliance testing. The Commission has determined that additional personnel will be needed to implement the remaining elements of the program.

An ongoing concern is the amount of federal funding that the commission will receive to cover the federal share of the coal regulatory program. OSM currently covers 64.0 percent of the program and the other 36.0 percent is State general funds. As part of OSM budget requests for the past several years, the administration has proposed reducing the amount of federal dollars that states receive nationwide for their coal regulatory programs. While the proposed reductions have not been enacted by Congress, the adequacy of future federal funding continues to be a concern due to the large federal budget deficit.

The Reclamation Division has seen a significant increase in the permitting workload over the past several years due to applications that propose to permit additional lands for surface coal mining and this will continue into the 2015-17 Biennium. In addition to new permits for the Center and Coyote Creek mines, staff has conducted technical reviews of permit application for two proposed mines, the Otter Creek Mine in Oliver County and South Heart Mine in Stark County. The applications propose to permit 5,490 acres and 4,581 acres, respectively. The review of new permit applications has significantly increased the amount of time that staff spends on permitting matters. The inspection workload will also increase once mining operations begin at these mines.

The workload to review final bond release applications will also increase as more applications are filed for reclaimed lands at the four large active mines and for reclaimed lands at the former Gascoyne Mine. These reviews must ensure all reclamation requirements have been met since Commission jurisdiction ends over the reclaimed lands once final bond release is granted.

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Federal rulemaking initiatives are also expected to affect the state coal regulatory program during the 2015-17 Biennium. These include new rules that will propose comprehensive requirements for stream protection and new rules on the placement of coal combustion wastes in mined lands.

Environmental/citizen groups filed two lawsuits in federal district court that challenged certain aspects of North Dakota's coal regulatory program in May of 2012. While the court decisions issued in late 2013 were favorable to the Commission, the threat of future lawsuits remains a concern. Lawsuits challenging state and federal coal regulatory programs have increased across the country over the past few years and this trend is expected to continue.

Challenges facing the AML Division include 1) reduced federal funding from approximately \$4.0 million to \$3.0 million per year beginning in 2015; 2) increased contracting costs due to competition from oilfield construction; 3) the large number of AML sites requiring reclamation, especially underground mines, and 4) the increasing number of requests for information on abandoned mines due to rapid residential, infrastructure and commercial development in western North Dakota. Work will also continue to improve AML's Geographic Information System with information on abandoned mines and to provide that information to the public on the North Dakota GIS Data Hub.

REQUEST SUMMARY

408 Public Service Commission
Biennium: 2015-2017

Bill#: SB2008

Date: 12/23/2014

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
By Major Program					
Administration	3,144,496	4,447,509	(841,786)	3,605,723	1,258,567
Testing, Licensing and Certification	1,637,410	2,910,771	45,010	2,955,781	3,041,558
Public Utilities	1,253,350	1,592,553	99,171	1,691,724	0
Reclamation Programs	10,487,691	11,528,376	(122,163)	11,406,213	111,716
Total Major Program	16,522,947	20,479,209	(819,768)	19,659,441	4,411,841
By Line Item					
Salaries and Wages	7,081,195	8,506,704	160,775	8,667,479	2,724,230
Accrued Leave	0	168,278	(168,278)	0	0
Operating Expenses	1,761,402	1,895,562	0	1,895,562	855,169
Capital Assets	49,701	88,665	(62,265)	26,400	82,442
Grants	8,094	20,000	0	20,000	0
AML Contractual Services	7,509,496	8,000,000	0	8,000,000	0
Rail Rate Complaint Case	0	900,000	0	900,000	0
Reclamation & Grain Litigation	0	900,000	(750,000)	150,000	750,000
Federal Stimulus Funds 2009	113,059	0	0	0	0
Total Line Items	16,522,947	20,479,209	(819,768)	19,659,441	4,411,841
By Funding Source					
General Fund	5,693,828	7,091,740	(410,198)	6,681,542	3,029,947
Federal Funds	10,811,103	12,362,469	(409,570)	11,952,899	1,381,894
Special Funds	18,016	1,025,000	0	1,025,000	0
Total Funding Source	16,522,947	20,479,209	(819,768)	19,659,441	4,411,841
Total FTE	43.00	44.00	0.00	44.00	9.00

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Salaries and Wages					
Salaries - Permanent	5,173,409	6,034,328	312,055	6,346,383	1,638,000
Salaries - Other	0	0	0	0	518,783
Temporary Salaries	74,789	174,784	(174,784)	0	0
Overtime	21,051	91,760	(91,760)	0	0
Fringe Benefits	1,811,946	2,205,832	115,264	2,321,096	567,447
Total	7,081,195	8,506,704	160,775	8,667,479	2,724,230
Salaries and Wages					
General Fund	4,397,963	5,218,353	138,745	5,357,098	1,904,876
Federal Funds	2,683,232	3,288,351	22,030	3,310,381	819,354
Special Funds	0	0	0	0	0
Total	7,081,195	8,506,704	160,775	8,667,479	2,724,230
Accrued Leave					
Fringe Benefits	0	168,278	(168,278)	0	0
Total	0	168,278	(168,278)	0	0
Accrued Leave					
General Fund	0	90,598	(90,598)	0	0
Federal Funds	0	77,680	(77,680)	0	0
Special Funds	0	0	0	0	0
Total	0	168,278	(168,278)	0	0
Operating Expenses					
Travel	634,407	763,569	0	763,569	612,813
Supplies - IT Software	113,386	64,409	0	64,409	0
Supply/Material-Professional	16,665	36,150	0	36,150	0
Food and Clothing	6,501	3,750	0	3,750	2,825
Bldg, Ground, Maintenance	2,911	2,259	0	2,259	957
Miscellaneous Supplies	17,778	9,445	0	9,445	2,544
Office Supplies	27,220	25,409	0	25,409	303
Postage	12,865	17,010	0	17,010	0
Printing	7,467	16,388	0	16,388	1,803
IT Equip Under \$5,000	115,605	65,355	0	65,355	0
Other Equip Under \$5,000	11,759	11,931	0	11,931	1,375
Office Equip & Furn Supplies	25,927	7,516	0	7,516	0
Insurance	15,571	14,525	0	14,525	257
Rentals/Leases-Equip & Other	0	1,000	0	1,000	0

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Rentals/Leases - Bldg/Land	64,403	84,000	0	84,000	10,000
Repairs	51,840	27,225	0	27,225	3,163
IT - Data Processing	112,596	130,500	0	130,500	0
IT - Communications	73,924	64,111	0	64,111	853
IT Contractual Svcs and Rprs	11,605	92,900	0	92,900	0
Professional Development	98,559	110,126	0	110,126	132
Operating Fees and Services	94,139	162,756	0	162,756	93,375
Fees - Professional Services	246,174	185,228	0	185,228	124,769
Medical, Dental and Optical	100	0	0	0	0
Total	1,761,402	1,895,562	0	1,895,562	855,169
Operating Expenses					
General Fund	1,246,164	1,212,044	0	1,212,044	628,629
Federal Funds	497,222	558,518	0	558,518	226,540
Special Funds	18,016	125,000	0	125,000	0
Total	1,761,402	1,895,562	0	1,895,562	855,169
Capital Assets					
Extraordinary Repairs	0	0	0	0	82,442
Equipment Over \$5000	33,074	28,000	(28,000)	0	0
IT Equip/Sftware Over \$5000	16,627	60,665	(34,265)	26,400	0
Total	49,701	88,665	(62,265)	26,400	82,442
Capital Assets					
General Fund	49,701	70,745	(44,345)	26,400	82,442
Federal Funds	0	17,920	(17,920)	0	0
Special Funds	0	0	0	0	0
Total	49,701	88,665	(62,265)	26,400	82,442
Grants					
Transfers Out	8,094	20,000	0	20,000	0
Total	8,094	20,000	0	20,000	0
Grants					
General Fund	0	0	0	0	0
Federal Funds	8,094	20,000	0	20,000	0
Special Funds	0	0	0	0	0
Total	8,094	20,000	0	20,000	0

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
AML Contractual Services					
Travel	35,148	50,000	0	50,000	0
Miscellaneous Supplies	764	0	0	0	0
Repairs	34	0	0	0	0
Operating Fees and Services	0	100,000	0	100,000	0
Fees - Professional Services	7,473,550	7,850,000	0	7,850,000	0
Total	7,509,496	8,000,000	0	8,000,000	0
AML Contractual Services					
General Fund	0	0	0	0	0
Federal Funds	7,509,496	8,000,000	0	8,000,000	0
Special Funds	0	0	0	0	0
Total	7,509,496	8,000,000	0	8,000,000	0
Rail Rate Complaint Case					
Fees - Professional Services	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Rail Rate Complaint Case					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	900,000	0	900,000	0
Total	0	900,000	0	900,000	0
Reclamation & Grain Litigation					
Fees - Professional Services	0	900,000	(750,000)	150,000	750,000
Total	0	900,000	(750,000)	150,000	750,000
Reclamation & Grain Litigation					
General Fund	0	500,000	(414,000)	86,000	414,000
Federal Funds	0	400,000	(336,000)	64,000	336,000
Special Funds	0	0	0	0	0
Total	0	900,000	(750,000)	150,000	750,000
Federal Stimulus Funds 2009					
Salaries - Permanent	340	0	0	0	0
Temporary Salaries	68,016	0	0	0	0
Fringe Benefits	16,582	0	0	0	0
Travel	22,405	0	0	0	0

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Supply/Material-Professional	15	0	0	0	0
Office Supplies	100	0	0	0	0
IT - Communications	816	0	0	0	0
Professional Development	4,478	0	0	0	0
Operating Fees and Services	307	0	0	0	0
Total	113,059	0	0	0	0
Federal Stimulus Funds 2009					
General Fund	0	0	0	0	0
Federal Funds	113,059	0	0	0	0
Special Funds	0	0	0	0	0
Total	113,059	0	0	0	0
Funding Sources					
General Fund	5,693,828	7,091,740	(410,198)	6,681,542	3,029,947
Federal Funds	10,811,103	12,362,469	(409,570)	11,952,899	1,381,894
Special Funds	18,016	1,025,000	0	1,025,000	0
Total Funding Sources	16,522,947	20,479,209	(819,768)	19,659,441	4,411,841

CHANGE PACKAGE SUMMARY

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Biennium: 2015-2017

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Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<u>Base Budget Changes</u>						
One Time Budget Changes						
A-E 12 Remove Prior Biennium One-time		0.00	(414,000)	(336,000)	0	(750,000)
Total One Time Budget Changes		0.00	(414,000)	(336,000)	0	(750,000)
Ongoing Budget Changes						
A-A 9 IT Equipment over \$5,000		0.00	26,400	0	0	26,400
A-F 13 Remove Capital Assets		0.00	(70,745)	(17,920)	0	(88,665)
Base Payroll Change		0.00	48,147	(55,650)	0	(7,503)
Total Ongoing Budget Changes		0.00	3,802	(73,570)	0	(69,768)
Total Base Budget Changes		0.00	(410,198)	(409,570)	0	(819,768)
<u>Optional Budget Changes</u>						
One Time Optional Changes						
A-D 11 Extraordinary Repairs - Hearing Room	11	0.00	82,442	0	0	82,442
Total One Time Optional Changes		0.00	82,442	0	0	82,442
Ongoing Optional Changes						
A-C 1 Weights and Measures Inspector	1	1.00	313,035	0	0	313,035
A-C 2 Natural Gas Pipeline Inspector	2	1.50	255,166	255,168	0	510,334
A-C 100 Market Analysis Equity Request	3	0.00	173,498	83,285	0	256,783
A-C 4 Reclamation & Grain Litigation Fund	4	0.00	414,000	336,000	0	750,000
A-C 5 Travel Adjustment for Existing Natural Gas FTE	5	0.00	20,000	20,000	0	40,000
A-C 6 General Travel Cost Increases	6	0.00	75,857	0	0	75,857
A-C 7 Hazardous Liquids Safety Program	7	3.50	595,739	595,741	0	1,191,480
A-C 8 Railroad Safety Program	8	3.00	929,910	0	0	929,910
A-C 10 Accrued Leave Payout Liability	10	0.00	170,300	91,700	0	262,000
Total Ongoing Optional Changes		9.00	2,947,505	1,381,894	0	4,329,399
Total Optional Budget Changes		9.00	3,029,947	1,381,894	0	4,411,841

BUDGET CHANGES NARRATIVE

408 Public Service Commission

Bill#: SB2008

Date: 12/23/2014

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Change Group: A	Change Type: A	Change No: 9	Priority: 9
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IT Equipment over \$5,000

Standard replacement or upgrade of IT equipment according to the Commission IT Plan.

Change Group: A	Change Type: C	Change No: 1	Priority: 1
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Weights and Measures Inspector

Additional FTE request plus operating costs to improve the statewide coverage of the Large Scale Quality Assurance Program. This will restore the position repurposed during the 63rd Legislative Session. A second inspector would reduce travel times and increase the number of reviews conducted which ultimately improves the quality of commercial scales used in commerce.

Change Group: A	Change Type: C	Change No: 2	Priority: 2
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Natural Gas Pipeline Inspector

The increase of Natural Gas Pipelines in North Dakota has created a need for additional 1.5 FTE's plus operating. These positions will support the existing natural gas pipeline safety program currently in place. The positions are funded at approximately 50% by the US Department of Transportation *Pipeline and Hazardous Materials Safety Administration (PHMSA)*.

Change Group: A	Change Type: C	Change No: 4	Priority: 4
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Reclamation & Grain Litigation Fund

Request for additional funds to provide the resources necessary for the Commission to defend the interests of the state of North Dakota.

Change Group: A	Change Type: C	Change No: 5	Priority: 5
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Travel Adjustment for Existing Natural Gas FTE

Operating expense adjustment to account for travel expenses not requested with the Natural Gas Pipeline FTE received during the 63rd Legislative Session.

Change Group: A	Change Type: C	Change No: 6	Priority: 6
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General Travel Cost Increases

Request for a 10% general travel cost increase for the 2015-2017 Biennium.

Change Group: A	Change Type: C	Change No: 7	Priority: 7
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Hazardous Liquids Safety Program

BUDGET CHANGES NARRATIVE**408 Public Service Commission****Bill#: SB2008****Date:** 12/23/2014**Time:** 12:51:57

Request for 3.5 FTE's plus operating expenses to create a new hazardous liquids safety program. This program would fall under a separate federal grant than Natural Gas Pipeline Safety from the US Department of Transportation *Pipeline and Hazardous Materials Safety Administration (PHMSA)*. The estimated program cost sharing would be 50% state general funded and 50% federal grant funding. These positions require extensive training that can take up to 3 years to complete. The resources spent on each employee to obtain the proper certifications and pressures from private party employers are the primary reason for the requested salaries.

Change Group: A	Change Type: C	Change No: 8	Priority: 8
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Railroad Safety Program

A request for 3 FTE's plus operating costs to create a state funded Railroad Safety Program.

Change Group: A	Change Type: C	Change No: 10	Priority: 10
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Accrued Leave Payout Liability

A one-time request to account for a hidden liability caused by accrued annual and sick leave that has a large financial impact when employee(s) retire or resign.

Change Group: A	Change Type: C	Change No: 100	Priority: 3
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Market Analysis Equity Request

A request for salary equity funds based on a review of compensation ratios within HRMS' existing classification system and N.D. Job Service data.

Change Group: A	Change Type: D	Change No: 11	Priority: 11
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Extraordinary Repairs - Hearing Room

A system refresh of the Commission's hearing room used to broadcast public meetings. These broadcasts allow interested parties access to Commission activities without the burden of traveling to the 12th floor of the State Capitol. It also records certain meetings that can be viewed later which are accessible through the Commission's website.

Change Group: A	Change Type: E	Change No: 12	Priority: 12
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Remove Prior Biennium One-time

Remove prior biennium one-time funding.

Change Group: A	Change Type: F	Change No: 13	Priority: 13
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Remove Capital Assets

Remove prior biennium capital assets.

Change Group: R	Change Type: A	Change No: 1	Priority:
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BUDGET CHANGES NARRATIVE**408 Public Service Commission****Bill#: SB2008****Date:** 12/23/2014**Time:** 12:51:57

Weights and measures inspector

Provides funding for salary and operating costs for a weights and measures inspector. This request restores the position that was repurposed during the 13-15 biennium.

Change Group: R	Change Type: A	Change No: 2	Priority:
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Natural gas pipeline/Hazardous Liquids Safety

Provides funding for an additional natural gas pipeline inspector and creates a hazardous liquid safety program. 3.00 FTE were approved for the hazardous liquid safety program and an additional FTE was approved to act as manager of both programs. These positions are funded 50% general funds and 50% federal funds.

Change Group: R	Change Type: A	Change No: 3	Priority:
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Increase for travel

Provides general funds to cover the costs of travel for a natural gas pipeline inspector FTE that was not put in the request last biennium and to cover a general increase in travel costs mainly due to higher lodging costs.

Change Group: R	Change Type: A	Change No: 4	Priority:
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Railroad safety program

A request for 3.00 FTE's plus operating costs to create a state funded Railroad Safety Program. This would cover track safety.

Change Group: R	Change Type: A	Change No: 100	Priority:
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Executive Compensation Package Adjustment

Provides funding for recommended 2015-17 compensation adjustments.

Change Group: R	Change Type: B	Change No: 1	Priority:
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Reclamation & grain litigation

Request for additional funds to provide the resources necessary for the Commission to defend the interests of North Dakota.

Change Group: R	Change Type: B	Change No: 2	Priority:
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Accrued leave payout

Provides one-time funding to cover the cost for payouts of sick and annual leave for potential retirements.